

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA

In Re:)	
)	Case No. 22-00744
Debtor: Property Holders, LTD)	Chapter 11 Subchapter V
)	
)	
)	
Debtor and Debtor-in-Possession.)	SUBCHAPTER V TRUSTEE
)	Monthly Report on Plan Progress for
		January 2024

I. Summary:

- a. 1713 7th Ave SE and 1841 Washington Ave SE are currently under sales contracts and due to close in March. The combined sales total is \$345,000.
- b. There are currently no properties listed and available for sale.
- c. Rental Business:
 - i. Rental income for January is approximately \$8700. This continues to be concerning. The rental income is not sufficient to cashflow the properties.
 - ii. I am still skeptical of the month-to-month rental model.
 - iii. The rental projections given by the debtor are optimistic and will need to be substantiated.
- d. Real estate taxes were due in September. The debtor has stated all taxes have been paid. (per email dated 2/7/24) I am trying to verify this claim as the bank has a listing of taxes due totaling \$56,766.

- e. Rental income continues to be less than projected and the properties needing rehabilitation to include in the rental pool are not moving forward. The sales market is improving but is not robust. The sale of the two properties in March will help fund the improvements to other properties. I have included my updated projected cash flow for the rental business after the house sales have been completed. It includes the interest rate and loan balance projected by the bank after all the sales have been completed. The projected cash flow shows a loss each month. This will be an unsustainable model as projected. Debtor will need to address the rental business plan in the coming months to move to a viable business model. The options will include sales of additional properties.

Date: 2/8/2024

/s/ Douglas D. Flugum

Douglas D. Flugum

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Sub Chapter V Trustee

						Average Monthly per Property	Notes
Cash Flow for Property Holders		Data	Monthly	Yearly			
Income							See attached spreadsheet for property details.
	Number Of Properties / Units		16				There are 19 properties being held but only 16 are to be rented.
	Gross Projected Rent Amount For All Properties	\$ 19,800	\$ 19,800	\$ 237,600	\$ 1,237.50		
	Vacancy Bad Debt %	25%	\$ 4,950	\$ 59,400			Currently running 24% (\$12,345 / \$16,200). Month to month rental will increase the costs and vacancy rate
	Total projected proceeds		\$ 14,850	\$ 178,200			
Expenses							
	Property Management Fees	\$ -	\$ -	\$ -	\$ -		
	Repairs and Maintenance	\$ 3,000	\$ 3,000	\$ 36,000	\$ 188		The repairs and rental turnover costs will increase with a month to month rental with no security deposits.
	Real Estate Taxes	\$ 3,200	\$ 3,200	\$ 38,400	\$ 200		
	Rental Property Insurance	\$ 2,700	\$ 2,700	\$ 32,400	\$ 169		
	Utilities	\$ 1,000	\$ 1,000	\$ 12,000	\$ 63		
	Pest Control	\$ 150	\$ 150	\$ 1,800	\$ 9		
	Accounting and Legal	\$ 350	\$ 350	\$ 4,200	\$ 22		
	Office / Admin / Other	\$ 500	\$ 500	\$ 6,000	\$ 31		This item is for things like gas and truck expense along with postage and other items.
	Total projected Expenses		\$ 10,900	\$ 130,800			
Loan Servicing Expense							
	Financed Amount	\$ 1,100,000					This is an estimated amount. Costs will continue to accrue as the property liquidation continues to be pushed out.
	Loan Amortization In Years	15					
	Loan Interest Rate	11.5%					Rate from Dupaco
	Monthly Payment Amount		\$ 12,850	\$ 154,201			
Cash Flow							
	Cash Flow Before Taxes		\$ (8,900)	\$ (106,801)			